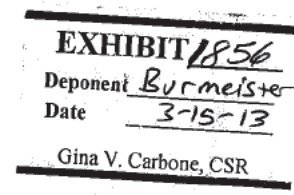


# **EXHIBIT 1856**



# Compensation Framework

Ensuring global consistency



1856.1

## Table of Contents

Company to Review "100" (Internal) 1

Rollout Process and Timeline

Salary Administration Guidelines

Compensation Terms Glossary

Functional Job Matrix

Level Guides

Base Pay Salary Structures

FAQ's

1856.2

## Rollout Process and Timeline

### Compensation Framework FY05



Apple Confidential  
Summer 2005

Page 3

## Salary Administration Guidelines

Apple Confidential - For Internal Use Only

### Determining Starting Salaries

Starting salaries for new employees are determined by referring to:

- Salaries/grades of present employees in related positions
- The salary range for the position being filled
- The individual's related education and job experience
- The individual's salary history

### Promotions

Apple's goal is to compensate employees appropriately for performing work at higher skill and responsibility levels. Employees are eligible for promotions when they acquire higher skill levels and assume increased levels of responsibility significant enough to warrant a change to a higher pay level.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Apple Confidential  
Summer 2005

Page 5

1856.5

CONFIDENTIAL - ATTORNEYS' EYES ONLY

231APPLE105346

## Compensation Terms Glossary

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

\_\_\_\_\_

---

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[illegible]

[REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]

## Base Pay Salary Structures

Compensation Framework FY05



Apple Confidential  
Summer 2005

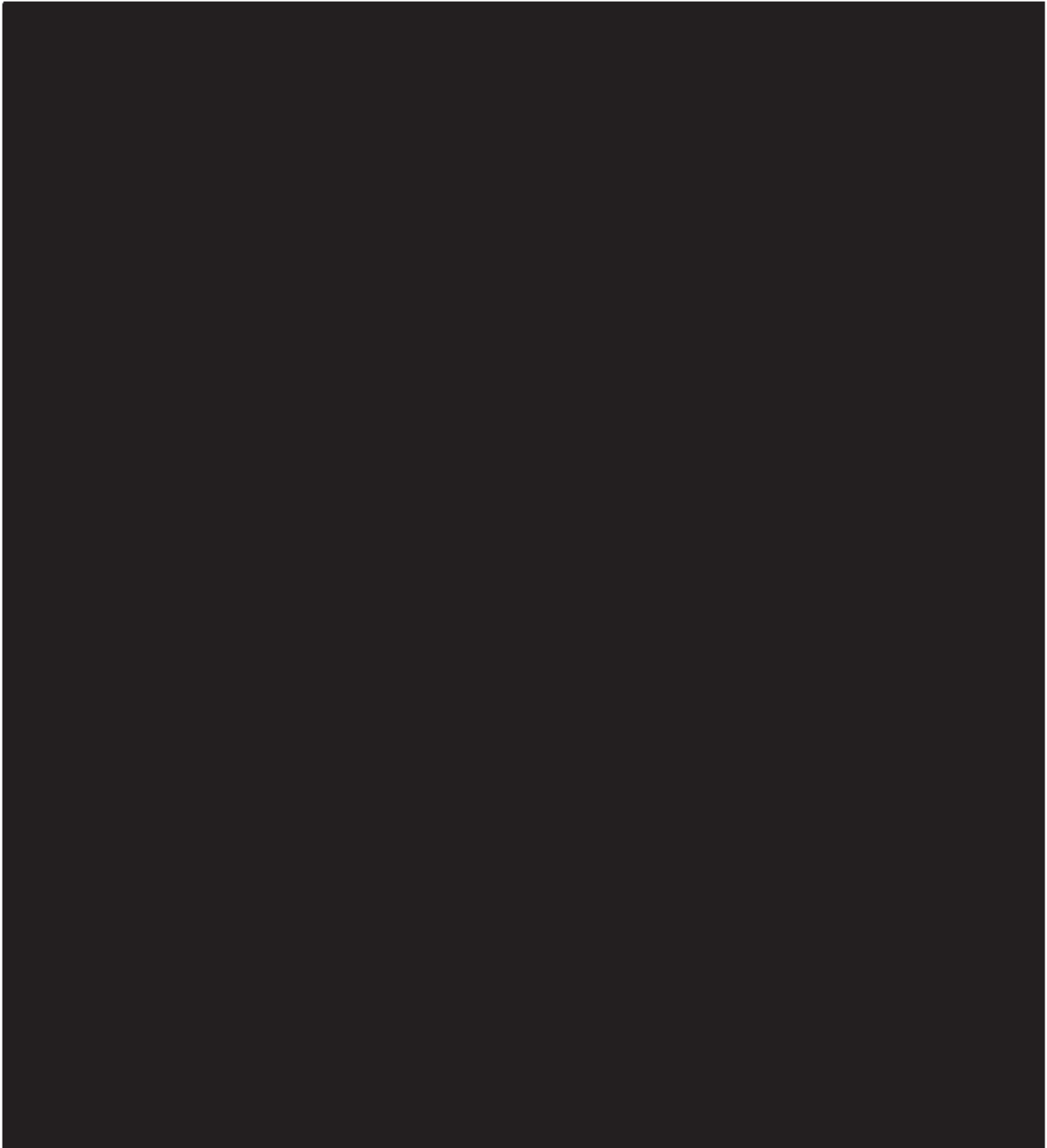
Page 7

CONFIDENTIAL - ATTORNEYS' EYES ONLY

1856.7

231APPLE105348





Apple Confidential  
Summer 2005

Page 8

CONFIDENTIAL - ATTORNEYS' EYES ONLY

1856.8

231APPLE105349

## FAQ's

### Compensation Framework FY05

#### What is the Compensation Framework?

It is designed to assist managers and Human Resources in making sound and equitable pay decisions, establishing career levels, as well as providing a tool for the development of talent throughout Apple.

#### What are the objectives for Compensation Framework?

There are many goals and objectives. The major ones are:

- To create global consistency and accuracy in jobs, grades, and levels
- To ensure we are structured competitively within the industry
- To create clarity around hiring and career progression

#### Is the Compensation Framework being implemented throughout Apple?

Yes, across all lines of business in all Geos.

#### What should be communicated to employees?

- Key changes and context (Job level and timing)
- Employee's specific level